

LATIN AMERICAN REPORT

JULY 1958

50c

TRAVEL: What is that indefinable something that sets travel in Mexico apart from travel anywhere else, and makes it so uniquely exciting?

HEMISPHERE: How indifference, arrogance and ignorance displayed by the United States toward Latin America built resentment that exploded into the 'Nixon incidents.'

MEXICO: Four roads lead to Mexico, each of its own character—reflecting a different mood. See which you would choose to take.

INVESTMENT: Banker tells how you can invest through time deposits in Mexican banks to take advantage of high interest rates.

YOUR MOTOR TRIP TO MEXICO



Mexico



"Callejón del Beso" a street of Guanajuato.



Guanajuato

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THE TWO FACES OF MEXICO



Aged woman who has seen the worst of a long, hard past . . . and the face of Lopez Mateos, who promises a brighter future for Mexico.

THE TWO FACES OF MEXICO!



All the way down the road, from an agrarian republic . . . to a nation of new industry.

The dusty road comes down out of the hills to a village at the edge of a desert. The road picks its way through cobblestone streets that are solidly lined with low, flat dwellings. The houses are made of *adobe* mud, baked under the blazing sun. Some of the walls are whitewashed, and others are painted in warm, pastel hues. Some are earthen-colored, like the desert, itself.

The old man is an inhabitant. Through the cobbled streets he plods behind a burdened *burro*. Underneath the *sombrero*, his weathered face is blackened by the sun of three score summers. The troubles of three score years have furrowed his leathery skin, frosted his stubbled beard.

Curiously, one asks oneself: Where are you going, old one, in so little of a hurry? The answer is that he is not going. He has been.

He bears the blood of the Aztec, and also of the Conquistador, for he is *mestizo*. He is product of the merging of



two peoples. He embodies the emergence of a new people—a new nation. "*El Grito de Dolores*," that was raised at Guanajuato, still rings in his ears.

His aged face reflects crumbling temples, oxen at the plow, revolutionists on the march. His is one face of Mexico.

Standing high-up on a lava rock, as old as the land itself, is a young man. He is a student architect—builder of the future. He looks out across a busy highway network to where stand the modern buildings of University City. His heart swells with pride in the accomplishments of his people. His swarthy, young face glows with plans for the future; and the future is born of a healthy and progressive present.

The glow on his youthful face reflects the smokestacks of industry, skyscrapers along the Reforma, modern homes of El Pedregal, power dams in the mountains, irrigation in the valleys. His is the other face of Mexico.



Adobe-walled streets of old Saltillo . . . a different face from the
skyscrapers of Mexico City.

In a city where modern dwellings rise . . . the donkey cart still
has its place.





Modern machines transform agricultural methods . . . while across the road, oxen till the fields in defiance of time.



In religion too, the faces change . . . from churches of the historic past, to modern La Purísima.



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**BRAZIL'S
NEWEST and FINEST**

in Rio, The Hotel
**EXCELSIOR
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and in Sao Paulo . . .
The **HOTEL JARAGUA**



HOTEL JARAGUA

IT HAPPENED AT ACAPULCO, MEXICO

Back in my old newspaper days I doubt seriously if my city editor would have given the incident even a second perusal. It would have been his thought, and rightly, I guess, that nothing happened in the final analysis so where was the story. Something, of course, did happen but since the story had a favorable note the police were not called in, nor did it become part of any official report—and so no “international incident” was involved.

It happened in one of Acapulco's top hotels. The name of the hotel is not important—the important point is that it actually happened and it happened at Acapulco.

In connection with the series of stories we are carrying in the present issue on travel to Mexico, I went with my wife, Polly, to Acapulco for a weekend. In the course of having a personal look at all of the various good hotels, we went to this particular one and were asked by the management to join him for refreshments.

The invitation was extended about noon. Mrs. Gaudet excused herself to do the inevitable female make-up, and later joined us in the lounge.

Some six hours later, as we were getting dressed for another appointment, Mrs. Gaudet missed her diamond and emerald ring. The ring was valuable, not only money-wise, but in sentiment. It originally had been the property of her great grandmother. We searched our room high and low, but no ring.

Then Mrs. Gaudet remembered having removed the ring and placed it on a washstand at the other hotel. There was nothing else for me to do but to call the hotel and make inquiry, but I did so with scant optimism. It seemed to me that such a ring simply would have been too much temptation for the finder. Nevertheless, I called, and almost immediately came the answer—the ring had been found by a worker and had already been turned in to the management.

As we pointed out, the police were not called, no international incident was involved, but happily we can say: “It Happened in Acapulco, Mexico.”

William G. Gaudet

PUBLISHER

Member, Inter American Press Association

THIS MONTH'S COVER: At evening in the village of San Juan del Rio, Mexico, a farmer brings in his wooden plows, lashed to the back of his burro. (Color photo by Norman Thomas.)

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LATIN AMERICAN REPORT

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interpret the changing history
of our hemisphere.*

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Along the way, boy makes friends with burro

A FAMILY CARAVAN



...to see what makes this country the U.S. family's

EDITOR'S NOTE: During the post-war years more and more North Americans have been discovering Mexico as a vacation playground, because nowhere else can they enjoy the exotic charm of a foreign land so quickly and easily and at so little expense as in this neighboring land to the south. These advantages take on particular significance this year, when so many who plan to vacation abroad are watching their pocketbooks and seeking the exotic closer to home.

To experience first hand, from the tourist's point of view, what Mexico has to offer, **LATIN AMERICAN REPORT** sent a typical "family caravan" south of the border. The group included the publisher, William Gaudet, his wife, Polly and son, Timmy, and the magazine's associate editor. The trip started from the publisher's home at Waveland, Miss., near New Orleans, and via Houston, Tex., to the border at Nuevo Laredo.

This is a story of what the LAR group found on its trip to Mexico. The boxed information as to costs, requirements and mileages was prepared by the group as a result of its findings on the trip.

The great tourist flood into Mexico had its beginning as a mere trickle, back in the prohibition era of the roaring 'twenties. All at once the little Mexican border towns, which until then had been more interested in the siesta than the fiesta, blossomed forth as oases for the thirsty hordes from the North. As the border towns' fame spread, Americans from the parched land to the North descended on them like a plague of locusts. From one end of the Rio Grande to the other, bars and cabarets sprang up by the score along the dusty streets of these towns.

In those early days most of those who came to Mexico left their cars on the States side and taxied across the various international bridges. Few of those early travelers ever strayed beyond the town limits into Mexico proper. Fewer still were the roads to carry them farther. These bordertowns were about as truly Mexican as Washington, D.C. is Egyptian. In those days they existed for one purpose: to wet the dry throats of the visitors. This was not the side of Mexico that Mexicans particularly wanted to show to the visitors, but it was the only side of Mexico that the visitors were particularly interested in seeing.

All that is changed now. Even the

border towns have taken on a new appearance. There is still something about the border town that sets it apart from the rest of the country. The seamier side still exists to take care of the weekend visitors who pour across the border a million strong on a busy weekend, all bent on having a good time. But from behind the neon lights of the cabarets, the charm of Mexico shows through, even here. Even the border towns are distinctly Mexican today, and the tourist is immediately aware that he has crossed into a foreign country.

The difference is not so much physical as it is a feeling. The first awareness of this feeling may come when the tourist exchanges his U.S. dollars for Mexican pesos, at the rate of one dollar for 12 pesos and 50 centavos. The peso is paper, much the same as the U.S. dollar, but it does have a different feel to it. One of the hardest things for the tourist to get used to is to think in terms of pesos in computing the value of purchases he wishes to make. Only travel and time does the job. But the sooner the tourist learns to think in terms of pesos, the better will be his realization of values and the more interesting bargaining will become.

VAN goes to MEXICO

Bargaining is not as widespread in Mexico as it once was, but in certain fields it still is the custom. It begins as soon as the tourist touches Mexican soil, when he is approached by street vendors offering leather and silver handicraft and souvenirs. The art of bargaining is an aspect of Mexican life that should not be taken lightly, even today. In hotels, restaurants and modern stores bargaining has disappeared, but on the streets and in the smaller shops, not only is it still the custom, but it is cherished. It is enjoyed in much the same manner as a business tycoon gets pleasure out of negotiating a financial transaction. It is not the money involved that is the source of pleasure so much as it is the art of bargaining, itself. The street hawker purposely sets a high price on his products to make bargaining inevitable, and the tourist who buys on the street without question, is doing a disservice both to himself and to the vender.

CHOICE OF ROUTES. The late Hendrik Van Loon, who objected to modernity and progress because they

was one that ended at Monterrey. Now the tourist may take his pick of four main trunk routes to Mexico City. Each of the four routes spins the spell of Mexico about the traveler, but each road has its own distinctly individual charm, and a tourist who has traveled one of the roads to Mexico, is not content until he has sampled in turn, each of the other three.

Of the roads to Mexico City, two lie pretty well to the east, not far inland from the Gulf Coast. They are the shortest routes from the Border to Mexico City. The other two highways are the central route and the West Coast route. (See "Four Roads to Mexico").

The important thing about a motor trip into Mexico is not so much the route taken, because all of the routes are interesting; nor does it matter so much whether the road is super perfect, because none of the roads is terribly bad. The important thing is the joy of discovering the varied shades and tones of Mexican life—the joy of getting to know first hand a strange, new people, their culture

neling it into development of the country, is to curb its use for luxury imports. These check points are designed to prevent the illegal movement of such items into the country.

PROGRESS WITH COLOR. A visitor to Mexico for the first time is amazed to find much of the highway traffic given over to heavy trucks. Through day and night these multi-wheeled behemoths of the highway rumble one behind the other in close file through the mountain passes and across the desert plateaus, distributing the products of newly created industry. These quantities of motor transport provide the first evidence that the traveler sees to belie the stereotyped notion that Mexico is a land of *siesta* and *mañana*.

The second shocker comes for the tourist on his first trip south of the border, when he drives into Monterrey, the industrial colossus of the North. He is surprised to find instead of a city asleep, a city that almost never sleeps—a city as busy and bustling as his native Detroit or Pittsburgh or Houston. Yet there still re-

mily's most popular Latin American vacation spot

ushered in rules and regulations and pristine cleanliness, might not be too happy with the border system which came into being when the Mexican government pushed a highway network from the Rio Grande, on deep through the heart of Mexico to the capital itself. Years ago the size of the *mordida* determined the facility of entering a car into Mexico. That now is of a bygone era, and the size of a *mordida* plays no role at all. Now all that is required is a valid tourist card and proof of ownership of a car. Mexican insurance is recommended but not required.

There was a time, too, when the only road into the interior of Mexico

and their history. These are the things that set travel in Mexico apart from travel in the United States and give it an exotic difference all its own.

When the tourist leaves the border and strikes out across the desert, he doesn't go far before coming to a check station where his papers and his car are given a perfunctory inspection. A short time later and a few kilometers down the road, the process is repeated once more. It seems a little annoying until the reasons for these inspections become known. Mexico is a country still troubled by foreign exchange problems. One method of protecting this exchange and chan-

main many charming aspects of old Mexico, even in modern Monterrey. The perennial *burro* refuses to be impressed by the fact that Monterrey is the home of two giant steel mills, a huge brewery, glass factories, cement plants, machine tool factories. He has been crowded out of the downtown center, but he still plods the avenues of the residential sections and carries his burdens along the thoroughway that parallels the Rio de Santa Catarina, with skyscrapers rising in the near background.

Fortunately, mushrooming Monterrey still clings to the symbols of its past and to much of the charm of another era. Hotels, once famous as

Customs officials check travelers' papers . . .



make routine inspection of luggage . . .



replace luggage in car



Travel Tips for MEXICO

TRAVEL COSTS IN MEXICO

Automobile:

All gasoline is produced by PEMEX, the official Mexican government agency. The best gasoline is Gasomex, and costs about 90 centavos a liter. This figures out at about 28 cents (U.S.) per gallon. Prices vary a little from place to place due to transport costs. Oil costs about the same as in the United States.

Hotels:

Hotel rates in the interior cities such as Guadalajara, Monterrey and San Luis Potosí, average about \$6.50 per day (double) and \$5.00 per day (single), without meals, at the better tourist hotels. Prices are higher in Mexico City and run from about \$8.00 to \$12.00 per day (double), without meals, at the better hotels. Remember: that the Mexican Tourist Commission requires every hotel to post its rates in the rooms, and these rates may not be exceeded.

An extremely wide range of costs prevails in the resort areas. At Acapulco, where costs are at least as high as any other resort area, a room for two may be had at a good hotel for as little as \$20 per day, meals included. Some of the smaller hotels, off the beaches, may offer fairly good accommodations for almost half this much, and at the top luxury hotels one may spend as much as he wishes.

Food:

In the interior cities, one may eat in the good hotel restaurants for about \$4.00 a day for the three meals, breakfast, lunch and dinner. Costs are somewhat higher at the specialty restaurants. In Mexico City one may dine at a moderately good restaurant for as little as \$1.50 for a complete meal, or he may obtain a complete dinner at one of the city's better restaurants for less than \$5.00. Remember: that *a la carte* ordering usually increases the price.

Drinks:

Drinks made of Mexican domestic products are very reasonable. These include drinks from rum, gin, cognac, and tequila, and average about 30 cents a drink. Drinks made from imported liquors, including whiskies, cost about \$1.00 each. Import duties de-

signed to curtail the use of dollar exchange for luxury items account for the higher costs.

The range of travel costs is such that the tourist may pretty well call the turn on whether a vacation in Mexico will be moderately inexpensive, or moderately expensive. The LATIN AMERICAN REPORT group, which covered a distance of more than 4,300 miles in 21 days, spent about \$14 per day per person. This included automobile expenses, insurance, photographic supplies, food and lodging, entertainment, and a weekend at Acapulco. Only the better hotels and restaurants were patronized.

REQUIREMENTS TO ENTER MEXICO

1) A valid tourist card. May be obtained from a Mexican consulate or an office of the Mexican Tourist Commission. United States nationals may get a tourist card upon presentation of proof of citizenship. A birth certificate or an old or new passport provides sufficient proof. Driver's licenses and similar credentials are NOT proof. Cost is \$3.00 and the card is good for a six month stay in Mexico. Minor children may be included on the same card with parents or guardians.

2) Proof of car ownership. A certificate of title given by any one of the 48 states is sufficient. In the event that title is held by a bank or other credit institution, a letter from an authorized official stating that the car may be used for travel in Mexico is acceptable.

3) A smallpox vaccination certificate. An international certificate, or a certificate approved by a branch of the public health service is recommended.

4) Automobile and public liability insurance. While insurance is optional and not required, it is recommended. Some policies written by United States insurance companies cover the traveler in Mexico but insurance written by a Mexican company makes it easier on the insured in case of trouble. This insurance, which may be obtained at any border point, may be purchased by the day, week or month.

REQUIREMENTS TO RE-ENTER THE UNITED STATES

1) A valid smallpox vaccination certificate.

2) Proof of United States citizenship. A birth certificate or passport is sufficient. A driver's license is NOT proof.

3) A customs declaration properly filled out, if returning with a number of purchases of value. Each person is permitted to bring into the country purchases up to \$500 provided that his stay in Mexico has been for a period of more than one week. The head of a family may file a single declaration to cover all members of the family. The border state through which the traveler returns also checks importation of various items, including the amount of liquor (each adult is allowed one gallon), and a state tax is levied on liquor.

THINGS TO REMEMBER WHEN DRIVING IN MEXICO

Road signs are in Spanish. These are a few signs in common usage:

DESPACIO means to go slow:

ALTO—stop:

CURVA PELIGROSA—dangerous curve;

PRECAUCION, or PELIGRO—danger;

POBLADO PROXIMO—populated area ahead;

PUENTE ANGOSTO — narrow bridge (and should be heeded);

CAMINO SINUOSO — winding road.

Speed limits are posted in kilometers. A good rule of thumb is to abide by the same regulations as would apply in the United States under similar circumstances. Mexican speed limits converted to miles are roughly equivalent.

Mexico's highways are usually unfenced, so when driving through open country it is wise to keep a careful lookout for cattle and donkeys.

Technically, the visitor's automobile is regarded as having been temporarily imported into Mexico, and must leave the country with the visitor when he departs. The permit of entrance must be surrendered upon departure.

Travel Tips for MEXICO

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Wherever tourists stop, children run out

meeting places where insurrections were hatched, are being remodeled and redecorated, but with a conscious effort to retain the aura of colonial times, combined with the conveniences of the present.

Beyond Monterrey and westward some 55 miles, is Saltillo, capital city of Coahuila State. After the hustle and bustle of industrial Monterrey, it is a pleasant drive through the canyon and up to the mile-high plateau where Saltillo rests in the quiet beauty of antiquity. Here are signs of progress too, and the encroachment of modernity is at hand, but there still remain the narrow, cobbled streets between solid rows of mud-walled houses—streets that lead to the heights above the city where the eyes can reach out across the roof tops and the church steeples of Saltillo to the burning plains in the distance.

Saltillo is a mud-walled city, earthen colored, pastel and white, a city that has baked for centuries under the blazing sun—and of the earth and the sun, and the sun-darkened people who built the city from the resources provided by nature—out of these things are born the charm of Saltillo.

Beyond Saltillo where the road runs broad and new across plains blistered by the sun, stand the remnants of an old adobe village. It appears silent and deserted now and no voices come from behind the crumbling walls. And then as one wanders among the walls he sees a wisp of smoke—a sign that for all the death-like appearance, there is yet life here. It is not as it once was when this was a prosperous *hacienda*, but it doesn't take much imagination to picture this decaying work of man as it once must have been.

WHAT PRICE, CHANGE? Through a desert valley where giant tree yucca grow beside the road to the next city of San Luis Potosí, there is a picturesque old man riding his *burro*. He is unruffled by the speeding motor cars that flash past him. He is in no hurry because there is plenty of time to go where he is going. He is a part of the ageless past of Mexico. No need to feel compassion for him, for he is a man of dignity and quiet humility, bespeaking strength and sureness of purpose, but without hurry. This man and this beast, in partnership they pioneered Mexico, fought for its independence, gave it the chance to become what it is today. It is the blending of an exciting and colorful past with the realities of the present and dreams of a tremendous future that give Mexico its charm.

Most Mexican villages are dominated by at least one church or cathedral. Lagos de Moreno, located at the intersection of the highway from San Luis Potosí to Guadalajara, and the central route to Mexico City, is no exception. A magnificent 300-year-old cathedral towers over the sprawling town, dwarfing the flat, low houses that line the cobbled streets. Across the plaza from the cathedral is the town's best hotel, bearing the fancy title, Hotel Paris. Belying its name, there is no Parisian maitre nor French cuisine. But its dining room on the patio proudly serves in a number of courses, some very good local cuisine in the tradition of old Mexico.

In front of the hotel a trio of ambitious car washers rub their hands in glee at the sight of the tourists' car, grimy from the long, dusty road. They are crestfallen by the driver's polite,

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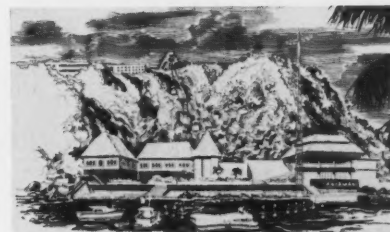
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IN ACAPULCO

A paradise hotel with its unique night club



CANTAMAR

fascination by the sea!



On a hill above Monterrey
... the Bishop's Palace



In one of Guadalajara's many lovely plazas
... a Sunday night concert

"No, gracias." But they refuse to take no for an answer, and the tourists return from their lunch to find the finishing touches of a wash job being energetically applied. But the soft-hearted tourist hands them three pesos for their uncalled-for labors and the smiles that light the urchins' dirty faces make him forget his momentary chagrin.

Lagos is yet to find its place in the future. Even in this important location at the intersection of two main roads, it remains a part of the past. How long this quiet little town will retain its untouched charm is a matter for conjecture. Already the cobblestones along the main thoroughfares have been ripped up to make way for pavements. Inevitably progress and change will come. But what then of the quiet, green valley, the interesting cobbled streets, the three peso car wash?

Westward from Lagos toward Guadalajara, in a picturesque little valley lies the deeply religious town of San Juan de los Lagos. From every open doorway comes the sound of busy sewing machines. Men and women alike are busy turning out blouses, bedspreads, mantillas and other needlework to be sold in the shops and stalls along the road through town. The product of their labors is truly beautiful to behold. Gnarled hands pass on to young novices the delicate art of embroidery in the tradition of perfection. It will take many years and thousands of passing tourists to materially change the tone of life in this old Mexican town.

SO MUCH TO OFFER. Guadalajara, on the other hand, is in a state of great change, even though today it still retains much of the unhurried manners of quiet and gracious living that fits in so well with the colonial architecture that dominates the downtown plazas. In recent years there has been an influx of North Americans into the Guadalajara area. Some of them are young people—artists and writers, and those who just want to get away from it all for a while. Most of them come here to work—and some of them succeed in accomplishing their ends. On the other hand, many who come to the area to make their homes, are older people seeking a pleasant place to retire and stretch their pensions. In this respect, the city becomes a sort of St. Petersburg, Florida—with a Mexican flavor.

Guadalajara is hailed as the city of eternal spring, and not without reason. The city sits on a mile-high plain, surrounded by low mountains. It is moderately cool in summer, warm in winter. Flowers bloom in profusion almost the year around, and



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in May and early June the city is aflame with the flowering poinciana trees. Later in the summer bougain-villia takes over the walls of the city.

Each of the interior cities, in its distinctly individual way, has so much to offer that is interesting, beautiful, intriguing. But topping them all in grandeur is Mexico City itself. This sprawling metropolis ranks second in size in the Hemisphere, among the first six cities in the world. Cosmopolitan center that it is, Mexico City has just about as much to offer in the way of activities as any of the world's great cities, and a good deal more than most in the way of history and ancient culture. In this respect and in so many more ways, Mexico City is a city of great contrasts—contrasts that run the gamut from the pyramids of the Aztecs to one of the world's

most modernly beautiful campuses, the University of Mexico.

Culturally, Mexico City has fine art galleries featuring the works of the masters of the world, as well as the works of the nation's own great painters. The ballet and opera are popular and Mexico City's symphonic orchestra plays to a packed house.

Sportsmen will not find themselves out of place either. The city's equestrians rank with the world's best, and the world's biggest bull ring is located here. Jai alai is a favorite sport and many of the elaborate homes in the city boast their own frontones. University City provides facilities for almost any popular sport in the world. A short hop away, the resort center of Acapulco offers the finest in sea-side sports, including deep sea fishing.

The city's night life is as glittering

and fascinating as that of any other great metropolis. Nightclubs range in flavor from native to European, as do the fine restaurants. The gourmet may satisfy his highly developed tastes with the cuisine of nearly any country that he may select. At the same time, prices are not what they once were, because like everywhere else, inflation has left its mark, but Mexico City still may compete quite favorably price-wise with other cities its size the world over.

Mexico City is Mexico, a land that blends the old with the new, a land of sometimes poverty, sometimes vast richness—a land born out of the color and romance of yesterday, nurtured in all of the realities of the present to produce out of the crucible an ever strengthening confidence in an even greater tomorrow.



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Pent-up resentments explode around Nixon Caravan in Caracas

THE NEGLECTED CONTINENT

What fed the fires of resentment that exploded against Nixon?

Fate fashioned it to be Richard Nixon, the Vice President of the United States. Yet it could as easily have been Secretary of State, John Foster Dulles, or Dr. Milton Eisenhower, U.S. Senator George Smathers, or Assistant Secretary of State Roy Rubottom—or it could have happened to at least a dozen others who have made good-will tours to the other Americas.

The resentment made its first appearance as a mere ripple in Montevideo, Uruguay, gained momentum in Lima, Peru, and reached its climax at Caracas, Venezuela on May 13, 1958. Just as these events could have happened to others than the Nixons, so could they have occurred in other places than Venezuela, Peru and Uruguay.

Unquestionably, the events came as a rude and staggering shock to millions of North Americans. For that ever-so-small minority of North Amer-

icans who have traveled and studied, known and loved Latin America, there was neither shock nor surprise. The exact date and place may not have been predicted, but the occurrences were an inevitability. The symptoms have been present too long, and have been too obvious to be ignored.

Smugly, some tend to write off the incidents as the work of Communists only, and then add that the vast majority of Latin Americans love the United States. The great majority does love the United States—not BECAUSE of what we have done, but IN SPITE of what we have done.

When the Communist theme, concerning responsibility for the series of incidents, bobs up, the important point to remember is that Communists stand ready at all times to exploit a situation. Of themselves, the Communists are in no position, from Mexico to Argentina, to create out of thin air any overall feeling of resentment. But

they are fully aware of local conditions. They know the touchy points, the soft spots in hemisphere relations, and they are past masters as catalysts for precipitating incidents.

The really big trump card that the Communists hold, is that they are most aware of the fact that, so far as the Government, the people, the press and the Congress of the United States are concerned, the great big BLIND SPOT is Latin America. Consider this recent statement made by Peter Grace, president of W.R. Grace & Company:

"For altogether too long we have had the tendency to take our good Latin American friends for granted. We have had the tendency to let them sink or swim with the fluctuations of their one-crop and one product economies. We have had the tendency to be fascinated by the broils of Europe and Asia, while assuming that all is well in the Americas."

UNDERLYING REASONS. There certainly can be no argument with Grace's remarks. But they state a blunt fact, and do not take up the reasons that underlie that great array

of differences which separate the United States from the other Americas.

So far as the United States is concerned, the problem stems from the fact that its attitude toward the other Americas has been accented by indifference, arrogance and abysmal ignorance. These first two aspects are largely results of the latter. For this reason, only too few are aware that the nations of Latin America, both in productivity and population, are growing faster than the United States; that the markets of Latin America are increasing at a faster pace than any where else in the entire world; and that taken as a whole, Latin America is more important to the United States than is any other area in the world.

This tremendous growth has not come about without problems arising. The great demand for consumer products has placed a terrific strain on money supplies, and this has resulted in many financial problems at the international level. This has been one of the factors which has permitted entrance into governments of radicals and extremists who have emphasized exaggerated forms of nationalism. Under these circumstances it is thoroughly understandable why nationalism has been offered as a panacea for all economic ailments.

In this moment of great development and change in these other American countries, consider the record of the United States on the question of indifference. Since the end of World War II, the United States box-score on foreign aid, by areas, has been as follows:

Asia, nearly \$19 billions; Europe, nearly 30 billions; Latin America, less than one billion. Several European countries, individually, have received more from the United States than ALL of Latin America.

Harry Truman, when he was President, calmly brushed aside complaints from south of the border by blandly declaring, in effect, that the Americas could take care of themselves, and that the war-devastated areas had to be helped first and on a much bigger scale. And so they have been. And they are still being aided more, even today, than is Latin America. This attitude contrasts sharply to the U.S. attitude toward Latin America in the days of World War II, when the United States urgently needed military bases and raw materials from these countries.

INSTANCES OF ARROGANCE.

During the early days of Guatemala's drift into the Communist orbit under Arrevalo and Arbenz, the United States' attitude of indifference at first,

did not help matters. This nation's attitude toward outright dictators in certain Latin American countries has left an equally bad taste.

Consider now the issue of arrogance. When Secretary of State Dulles initiated the conference at London to discuss the Suez Canal question, the Republic of Panama, through which the vital Panama Canal runs, was NOT invited to participate, even as an observer. In reply to questions about Panama's non-participation, Dulles inferred that he would look after the interests of Panama. He did not first take the trouble to establish whether this arrangement was agreeable to Panama.

An even more flagrant instance of arrogance arose in 1949, when crop shortages and increased consumer demand resulted in high coffee prices. A great clamor arose in the Congress of the United States demanding a full investigation—an investigation of a situation involving the production and sale of a product not even grown in the United States. The fact that coffee is a primary dollar earner for Brazil, Colombia and the Central American countries, was completely ignored. On the other hand, now that coffee prices are at a rock-bottom low, Dulles steadfastly refused (until the Nixon incidents forced a change of thinking)

to discuss commodity price stabilization with the Latin American countries.

Above instances represent a few examples at the official and government level, and are by no means isolated cases. Similar instances of indifference and arrogance run into the scores, and each produces, as it develops, a problem that can be overcome only by time and a sincere desire to understand each other. At the personal level, specific instances of indifference and arrogance run into the thousands.

Today many of the mistakes are being corrected and new ones are being avoided. It is hoped that the Nixon incidents will bring about continued change for the better. But in the past, such *faux pas* have rankled deeply—deeply for individuals, and in turn, deeply at a national level.

THE WORST FAULT. An affront at the personal level, in the light of relations between nations, may not seem too important, and yet no one can actually say when such a single instance can have far-flung repercussions. Today in Mexico there is a top-ranking official who, with the passage of time, has come to understand the ways of North Americans. But for a time there was a grievous hurt in this

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man—a hurt inflicted when he was attending college in the United States. This man had been dating the daughter of one of his professors until he was told brusquely by the father that, because he was a Latin American and dark skinned, he was unwanted. This man has overcome his prejudice toward the United States, but it has not been easy. And over the years, this same man has played a key role in many international discussions—discussions having a direct bearing on United States business in his country.

Undoubtedly, the two great problems—indifference and arrogance—are NOT part of the North American character. But they stem from the one truly great fault which yet must be overcome—that of ignorance.

Knowledge of an area or a people results from three sources of influence: the home, the school and the press. In the average North American home conversation about Latin American countries does not often arise. True, a revolution, an earthquake, a volcanic eruption, may provoke discussion. But how very many happenings, developments, events, or statistics that would go toward creating a better understanding of Latin American countries, peoples and problems, go completely unnoted and ignored as topics for conversation in the average home? Most North Americans tend to lump all of these countries into a single package and label it Latin America, not once taking into consideration the different characteristics that distinguish a Mexican from an Argentinian, a Brazilian from a Chilean, a Guatemalan from a Nicaraguan.

That is the picture in the home. In the schools it is not much brighter. Some colleges and universities, and a few high schools—but all too few—are aware of the deficiencies, and are setting up corrective curricula to fill the void. It has not been many years ago that Spanish was not even taught in the schools of the Panama Canal Zone, despite the proximity of the Zone to the Spanish-speaking Republic of Panama. Small wonder that many Zone employes have lived in the area for a dozen years without learning to speak Spanish. As for Latin American history, it is a problem even to find teachers with sufficient background to teach it.

Contrast this attitude toward Latin America on the part of the neighboring United States with that of nations like Japan and West Germany—and even Russia—who have recognized the importance of Latin America as a potential area for expansion of their world trade. In these countries

schools offer courses in both Spanish and Portuguese, in Latin American history, customs and business traditions.

Last but not least, there is the United States press. In the United States there are more than 2,000 daily newspapers, and fewer than half a dozen of these maintain staff representatives in any country in Latin America. The United States has three top weekly news magazines. One of these maintains regional editors in London, Bonn, Paris, Rome, Tokyo, Beirut—and NOT ONE in all of Latin America. A second has 27 staff men stationed in Europe and Asia, and only five in Latin America. The third maintains bureaus in Asia and Europe, and has not a single staffer in the other Americas. It is a common complaint among Latin editors at every inter-American press seminar that North American editors ignore Latin America except in the case of revolutions or major disasters.

UP TO THE PEOPLE. All of this does not fall under the heading of startling revelations. These are facts which have existed and will continue to exist so long as apathy exists toward the other Americas. The schools, the daily press, the news magazines, offer only those services which the people demand of them. The demands do not stem from the school principal, the daily newspaper editor, the magazine publisher—but from the parents of those who attend the schools, from those who buy and read the newspapers and magazines—from that great mass of people known as the Public.

One thing is certain—the Communists long have been versed in the knowledge of the indifference, the arrogance and the ignorance which have prevailed in North America. These faults represent the tools with which the Reds work, and offer opportunity for continued exploitation so long as they prevail.

The Nixon incidents brought this into sharp focus—not only in the United States but throughout the other Americas as well. Throughout Latin America there is a deep and sincere feeling of regret. In the United States action already has gotten under way to rectify some of the errors and neglects of the past.

It well could be that the Communists now may have a second day of May to remember, along with their traditional "May Day," and this would be May 13—the day of the Caracas incident—the day the Communists lost the Americas. The decision to make this come true rests, not with the United States Government, the Congress, the press, or the schools—but with the North American people.

OPPORTUNITIES FOR INVESTMENT

Resort Hotels . . . Motels . . .

Quality Restaurant — in Mexico

(Publication of offerings does not necessarily constitute either endorsement or recommendation by the publishers. Available additional details may be obtained by writing to the Director, Investment Proposals, Latin-American Reports, Inc., P. O. Box 2567, New Orleans 16, Louisiana.)

MAZATLAN

Resort Hotel and Motels

Proposal: To build one modern resort hotel at Mazatlán, and three motels to be located at Ciudad Obregón in the state of Sonora, Los Mochis in Sinaloa State and a third at San Luis Potosí, in the state of San Luis Potosí. A corporation has already been formed and architects have submitted drawings to best utilize the 50,000 square meters already owned by the corporation. The corporation, formed under Mexican laws, wants to obtain \$400,000 (U.S. cy) through disposition of bearer shares. Corporation is Mexican controlled and will be under Mexican management since the number of bearer stocks is less than 50 percent of the overall capital investment.

Background: Organizers of the corporation are very well-known and highly-regarded throughout Mexico, particularly in hotel circles. President of the corporation was the organizer and managing director of one of Mexico City's largest hotels for 11 years. Under his direction this hotel operation paid cash dividends of 25 percent, and 30 percent in stock dividends.

Outlook: Presently there is a shortage of hotel accommodations at Mazatlán although a number of new hotels either are already under construction, or are in project status. Big advantage to Mazatlán is that it is a seaside resort on a direct road from California, and will be the terminus of a road running directly from Houston, Dallas and other Texas cities when a small stretch of road is completed between Durango and Mazatlán. The other three motels are being located at strategic points on new highways that have only recently been completed by the Mexican government. At all three points shortages of hotel facilities now exist. Organizers will make no commitment as to the potential earnings—but a conservative figure is that after one year of operation the corporation could pay a 20 percent dividend.

MONTERREY

First Class Restaurant

Proposal: To form a corporation for the purpose either of building a new restaurant, or of working out an arrangement with one of Monterrey's top hotels to install a restaurant. New construction, including kitchen equipment, would require approximately \$85,000, of which 50 percent can be subscribed by local Monterrey investment sources. Ideal arrangement would be for a person with good restaurant experience to participate in the ownership, as well as to take over management of the enterprise. Backers are men without restaurant experience.

Background: Opinion is that Monterrey, the industrial center of North

Mexico, and the country's second largest city, is definitely in need of another top-quality restaurant. The city now has several good restaurants but another is needed.

Outlook: Before the highways were pushed through to Mexico City, Monterrey was Mexico's most important tourist center. Hotel operators and others feel that with proper promotion Monterrey can regain its position as an important tourist center—and one of the things needed is a new restaurant. Estimates are that the restaurant could earn a profit of no less than 20 to 25 percent per year.

GUADALAJARA

Resort Hotel

Proposal: To develop a resort-type hotel within the city limits or on the outskirts of Guadalajara, Mexico's second largest city. Guadalajara is now on one of the main through highways from California to Mexico City and tourist trade has been increasing at a steady rate. Total capital involved: approximately \$450,000, much of which can be subscribed locally.

Background: Guadalajara now has several first class hotels but none of them qualify as a strictly resort-type hotel. Backers of the proposal believe that Guadalajara's spring-like climate is ideal for a resort-type hotel, with swimming pool, tennis courts, etc.



Four Roads to

MEXICO



... each exciting in its own unique way. Which would you take?

During the vacation months that have already begun, more than a half million North Americans are expected to visit that fabulous land "south of the border"—Mexico. By far the greater number of them will take in the desert and mountain vistas of this exotic country from the windows of smoothly moving automobiles. The biggest problem faced by those who are driving to Mexico for the first time, and by many of those who are veteran travelers in Mexico, will be to decide which route to take, to get the most out of their trips.

There are four trunk roads that stretch down the continent to Mexico City. These four roads are like the strings of a Mexican guitar, that when plucked one by one, produces each an entirely different, but equally pleasurable note. Each route casts the exotic spell of Mexico over the traveler. But each such spell is unlike the other, because each route possesses a sort of personality distinctly its own. The mood that each road creates for the

traveler—the nostalgia that lingers long after the trip is ended—is dependent on the atmosphere derived from the local color of that particular part of Mexico through which the road threads its way. Mexico, being the land of contrasts that it is, gives rise to much varied atmosphere and many different moods.

Besides the four trunk highways, there are two main cross-continental routes interlocking the north-south roads and offering the tourist opportunities to swing back and forth from one trunk highway to the other. Each route will be taken up separately on these pages and dealt with individually, beginning with the eastern-most highway and moving westward.

HIGHWAY 85

This is the old Pan American Highway, Mexico's first highway into the interior. Distance from the border at Nuevo Laredo, opposite Laredo, Texas to Mexico City is 749 miles. The mood of this East Coast road is predominantly that of the tropics, or sub-

tropics, although the atmosphere changes rapidly from that of a desert wasteland in the north, to verdant agrarian countryside, and then to mountains covered with tropical growth.

Highway 85 crosses the border at Nuevo Laredo and passes through a vast desert waste, where little else but coyotes and rattlesnakes survive, until the mountains rise on the horizon. Sometime after going over Mamulique Pass, from across an arid plain the traveler approaches Monterrey, Mexico's metropolis of the North and second industrial city of the nation. But long before the city comes into view, the tourist will have become aware of an oddly shaped mountain

in the distance. This is Saddleback Mountain, noted landmark of Monterrey. And visible against the black hulk of Saddleback are great white plumes of smoke cast off by the chimneys of Fundidora de Fierro y Acero de Monterrey, one of Mexico's biggest steel mills.

In Monterrey, the Stateside traveler who is unfamiliar with Mexico gets his first true impression of the tremendous industrialization that is taking place in this country. He will note the steel skeletons of a number of skyscrapers rising against the mountain background. He may go on a tour of Carta Blanca Brewery, where some of the finest beers in the world are produced, and he may visit several large glass factories, one of which is reportedly third-largest in the Hemisphere. He will be amazed at the smokestacks of industry in the industrial suburbs, surprised at the big city modernity of downtown Monterrey, pleased by such splendid examples of modern architecture as the Church of



the Immaculate Conception and modern homes going up in the suburban residential areas such as Colonia del Valle.

The traveler to Monterrey should drive up to the Bishop's Palace, on a hill overlooking the city, for a superb day or nighttime view of the metropolis. If his schedule permits, he will enjoy a trip to cool, scenic Huasteca Canyon, in the mountains not far from the city. And all the while that he stays in Monterrey, he will enjoy the comforts of one of the luxurious downtown hotels, or one of the many fine motels that line the approaches to the city.

With his first glimpse of modern Mexico fresh in mind, the traveler leaves Monterrey behind and journeys on down Highway 85 toward Ciudad Victoria. Left behind also, are the arid lands of the North. Instead, the road now takes the traveler through irrigated lowlands and into a rich sugar cane belt. At a town with the unlikely name of Tamazunchale, he leaves the lowlands behind and climbs into tropical mountains. Ahead of him are 100 miles of hairpin curves and superb mountain scenery with an Oriental flavor. The last 125-mile stretch into Mexico City takes him through the beautiful central valley of Mexico, where fields of maguey plant and quaint little towns provide a highly interesting and exotic atmosphere.

Although Highway 85 is the shortest of the four roads to Mexico City, because of the mountains it is one of the slowest. Since it is the oldest of the four roads, the areas through which it passes have been exposed longest to change and development. For this reason, and because of semi-tropical climatic conditions, this route lacks much of the picturesqueness and the atmosphere of antiquity that provide so much charm along some of the other roads. Nevertheless, it is a beautiful drive.

Before dispensing with Highway 85, it should be pointed out that there are two approach roads to the highway, other than through Laredo. One of these is through McAllen, Texas and Reynosa and along the northern-most of the cross-continental routes, to Monterrey. The other is through

Brownsville, Texas and Matamoros and connects with Highway 85 at Ciudad Victoria. The former of these two routes continues westward from Monterrey to cross the second north-south trunk highway at Saltillo.

HIGHWAY 57

This is the newest of the four roads to Mexico. Parts of it were opened to traffic only last year. It is also the fastest and best of the trunk highways. Distance from the border at Piedras Negras, opposite Eagle Pass, Texas, to Mexico City is 860 miles. This route through the east central regions of Mexico is imbued with the atmosphere of the desert, at least for the first two-thirds of its length.

It is a desert set high up on a plateau, close to the brilliant sun, and much of the route is at an elevation more than a mile above sealevel. It is a land where rains come only seldom, and when they do come, they come with violence. The earth is level and distances are great. One can see the rain approaching across the desert floor long before it hits, and as it draws near, one can hear the low rumble of the rain against the earth. And when the downpour strikes it turns dry arroyos into torrents, and later—almost overnight—it turns the barren earth green. But this is not very often in the course of a year.

Such is the land through which Highway 57 makes its way, from the border at Piedras Negras to the town of Monclova, where Alto Hornos, another of Mexico's big steel mills is located, and then on to Saltillo.

Saltillo is the charming old capital city of Coahuila State, and one of the first typical, old Mexican cities that the visitor comes upon on the eastern side. The old parts of the town, high up along the unbaked hills, remain quite untouched by the hand of change; and in the heart of town is an excellent old-style Mexican hotel where it is a pleasure to spend a quiet evening and dine in typical Mexican manner. Saltillo, like the small towns and villages along the way, is an *adobe* city, earthen colored, pastel and white—a product of man, earth and sun.

But if the sun bleaches the land to a glaring white here on the desert, it burns black and leathery the faces of

men. Such are the colorful characters who prod their patient burros along the shoulders of the road. These are a friendly people if one pauses to make their acquaintance, and sometimes one of them will let a tourist child ride his lop-eared burro while he, himself, enjoys a Coke and a cigarette with the adult travelers from the North.

From Saltillo to San Luis Potosí, Route 57 is through sparsely inhabited desert valleys forested with giant tree yucca and organ cacti. San Luis is a very old city with a lot of history. Some of its churches date back to the 16th Century and there is much colonial architecture, but the city lacks the charm of antiquity that Saltillo possesses.

The new Highway 57 continues from San Luis, on straight as a string through the valleys to Querétaro. Shortly before Querétaro there is a turn off to the picturesque art colony town of San Miguel de Allende in Mexico's "independence country." Querétaro, itself, is rich in history. It was here that the Mexican Constitution was signed, and on a nearby hilltop the Emperor Maximilian was captured and put to death. The city's most noted landmark is an 18th Century aqueduct that is visible from the highway.

At Querétaro, Highway 57 joins the central Route 45 and crosses some low mountains into the fertile, irrigated valley of the Rio Lerma, up which it proceeds to the industrial city of Toluca, only 55 miles over the high mountains from Mexico City.

HIGHWAY 45

Highway 45 is the second-longest and second-oldest of the four trunk roads. Until the death toll mounted too high a few years ago, it was scene of the internationally famous Mexican Road Race. It is certainly one of the most picturesque and exciting of the four roads to Mexico. It is the route of Mexico's arid, central plateau, and the traveler well may see in it a resemblance to parts of old Spain—a charm, based on pastoral antiquity, approaching an Old World atmosphere. From the port of entry at Ciudad Juarez, across the Rio Grande from El Paso, to Mexico is a distance

of 1,296 miles.

For the tourist uninitiated in border towns, Juarez will be an interesting pause for an evening on the town. On the seamier side, it offers everything that border towns are notorious for, but it also has some excellent nightclubs with good Mexican shows, and there is a new bullring where good *corridos* take place each Sunday afternoon during the season.

Beyond Juarez, Highway 45 crosses an area of vast sand dunes and passes through rolling grass lands where cattle graze, until it comes to fast-growing, progressive Chihuahua City. Then the road runs through the cotton-growing valley of the Rio Florida to the mining town of Parral, where it moves out into cattle country again.

Halfway down Highway 45 to Mexico City, the city of Durango sits astride the intersection with the northern trans-continental route from Reynosa and Monterrey. The city is located in an agricultural valley at the foot of the Sierra Madres, and just outside town is the Cerro del Mercado, Mexico's most important iron mine. From Durango south, Route 45 passes through some of Mexico's most picturesque towns. The village of Sombrerete comes unexpectedly into

view out of a wasteland where one doesn't expect to find habitation, and a little farther along, the town of Fresnillo appears like a walled city as one approaches from across a desolate plain.

The mining town of Zacatecas, at 8,000 feet elevation, is built on the sides of the Cerro de la Bufa. There seems to be sort of a mining town pall over Zacatecas that fills the steeply-pitched, cobbled streets with a strange feeling of gloom, which only makes it all the more interesting. After Zacatecas comes Aguascalientes, a large rail center sprawled across a cultivated valley where quantities of grapes are grown.

Lagos de Moreno is a colorful little town that is truly typical Mexico. It is at the intersection of Highway 45 with the second cross-continental route, on its way from San Luis Potosí to Guadalajara. The town is set in a narrow, irrigated valley and is built up over the hillsides. Its cobbled streets are solidly lined with low houses painted in many pastel hues, and a magnificent, 300-year-old cathedral dominates the village.

Along Route 45, not far from Lagos, is the lovely old city of León, followed in rapid order by Silao and

Irapuato, a bustling agricultural town on an irrigated plateau, where farming techniques are so modern as to resemble parts of the United States. This agricultural belt continues almost to Querétaro, where Route 45 joins with Highway 57.

Before leaving Route 45, there is a 15-mile sidetrip out of the town of Silao that should be a must for tourists. This road takes one up into the hills to the picturesque and historic old silver-mining city of Guanajuato. Guanajuato is one of the loveliest and most unspoiled towns in Mexico. It was here that Padre Hidalgo raised the first cry for Mexican independence. Narrow, cobbled alleys, called *callejones*, ramble up the hillsides of Guanajuato between neat rows of vari-hued houses, affording a fresh and interesting picture at each twist and turn. Here an artist or photographer might spend weeks without want for new subject matter.

HIGHWAY 15

This last of the four roads to Mexico is also the longest (1,378 miles). For nearly half of its length—the northern half—Highway 15 is a desert route. But unlike the high, arid plateaus of the interior, the desert along the West Coast is rapidly being transformed into a vast garden area. For this reason, although the flavor of a desert wilderness still survives along much of the route, the atmosphere in general is one of a frontier just being opened to development in boom proportions. And in many places the

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Four Roads to M

frontier aspect already has given way to modern, orderly farm communities. This transformation is the result of irrigation from a chain of large power and storage dams back in the Sierra Madres.

Route 15 has its jumping off place at Nogales on the Arizona border, cuts across the desert, through the agricultural city of Hermosillo, to the resort fishing town of Guaymas on the Gulf of California. From Guaymas south, for the next 350 miles, the desert is being made to bloom. Much of it has taken on the established appearance of farm lands in the Imperial Valley of California. Yet over much of this land bulldozers still are crashing through the cacti, baring the desert soil for the plow, cutting canals where water will flow, building roads for produce to go to market.



Market streets of Morelia . . . and the callejones of Guanajuato

The boom city of Ciudad Obregón has assumed the look of an agricultural metropolis. Navajoa is being transformed. Los Mochis is growing rapidly, and nearby, on the coast, the Bay of Topolobompo is being built into a seaport almost from scratch. And so it goes along Route 15, all the way to Culiacán.

An interesting side junket may be made from the town of Navajoa to the old silver mining ghost town, of Alamos, in the Sierras. At Alamos, many of the once lovely old homes and ruins of homes are being purchased by North Americans and restored to their former glory.

Culiacán is an interesting, sub-tropical type of city. Growing rapidly like

all of the West Coast, it has become a big supply center and a great deal of manufacturing is springing up here. From Culiacán, Route 15 continues through the thorn-bush hills to the resort and fishing port of Mazatlán, sometimes described as the "Little Acapulco." Mazatlán has a number of fine resort hotels, excellent beaches and good deep sea fishing in season.

A beautiful drive is in store for the tourist from Mazatlán to Guadalajara, with possible stop-offs at the resort area of San Blas and a visit to the tequila distilleries at the town of Tequila. Here is made most of Mexico's national drink, and the rolling hills around Tequila are neatly laid out in fields of the maguey plant from which

the drink comes.

Lovely Guadalajara is justly termed the "land of eternal spring." Like other Mexican cities, it is growing and progressing at a rapid rate, is now well over the half million mark. But Guadalajara somehow still retains the easy-going charm of Latin living. Its many central plazas are surrounded by splendid examples of colonial architecture, and in its suburbs, like Lomas del Valle, is developing in contrast, some beautiful modern architecture. Guadalajara is the home of Mexico's great artist, Orozco, and his murals adorn many public buildings in the city. Not far from Guadalajara is located Mexico's largest lake, Lake Chapala, and on its shores are the vil-

to MEXICO

DISTANCES TO MEXICO CITY			
From:	Via Mexico Route	Total Miles	Miles From Border
New York City	Hwy. 85	2,718	749
New Orleans	Hwy. 85	1,418	749
Houston	Hwy. 85	1,058	749
Chicago	Hwy. 57	2,240	860
Denver	Hwy. 45	1,996	1,296
Los Angeles	Hwy. 15	1,953	1,378



In the desert, a village . . . bleached white like old bones in the glaring sun



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Four Roads to Mexico . . .

lages of Chapala and Ajijic, where many North American artists and writers make their homes away from home.

Leaving Guadalajara, Highway 15 makes its way to Mexico City via the old colonial city of Morelia, through the scenic high mountains and across the eroded plains of Toluca, where every tile-roofed house and every whitewashed wall bears the name in huge letters of Lopez Mateos, Mexico's President-select.

But for the traveler who wishes to avoid a lot of mountain driving, there is a much shorter and easier drive to Mexico City, now paved most of the way, via Atonilco and joining Highway 45 at Irapuato.

CROSS-CONTINENTAL ROUTES

Interlocking the four north-south highways and permitting the tourist to swing back and forth between trunk roads, to take in that particular part of Mexico that most appeals to him, are two cross continental routes. They are the Reynosa to Mazatlán route in the north, and the Tampico to Barra de Navidad highway in central Mexico.

From Reynosa, the northern route intersects Highway 85 at Monterrey, Highway 57 at Saltillo, and proceeds



Sidewalks of Tlaquepaque, near Guadalajara . . . home of the mariachi bands

through Torreón to Durango where it crosses Highway 45. Now being rebuilt to handle passenger car traffic over the Sierra Madres, but not yet recommended, is the continuation of this highway from Durango to Highway 15 near Mazatlán.

The central cross-continental route from Tampico intersects Highway 85 at Mante, and joins Highway 57 some distance north of San Luis Potosí. From San Luis, this route offers a very picturesque drive over to Highway 15 at Guadalajara, crossing Highway 45 at Lagos de Moreno.

But in the long run all roads lead to Mexico City—a city that of course, is a story in itself. But one's trip need



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Four Roads to Mexico

not end at Mexico City. There are equally interesting routes that go beyond the metropolis: Highway 190 to Puebla, Oaxaca and the Guatemalan border; Highway 140 to Veracruz on the Gulf of Mexico; and Highway 95 to the great international resort of Acapulco.

In Mexico one can find just about anything he is looking for—experience just about any kind of mood—because

the spells that Mexico weaves about its visitors vary all the way up and down the scale from fast-paced modernity to slow-paced antiquity. It is the blend of these two facets of the nation's life that gives Mexico its own peculiar charm—a charm that the tourist will experience to the fullest on any of the four roads to Mexico that he may choose to take.

But one of the most wonderful

things about travel in Mexico is that one may write his own budget. He can spend as much as he wants to spend, and not necessarily one peso more. He can travel and vacation in high-priced luxury, or he can enjoy the charms of Mexico on the strictest economy—because Mexico has something to intrigue the interest of everybody, and something to fit everybody's budget.

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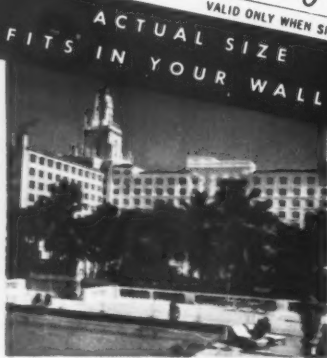
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Years with above firm _____	Position _____	
Bank _____	Address (Branch) _____	
<input type="checkbox"/> Regular	<input type="checkbox"/> Savings	<input type="checkbox"/> Special
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Signature of Individual Applicant _____		
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SOME NEW TWISTS ON TOURISM

Mexico's Director of Tourism plans refreshingly different approach to attract tourists to his country



Forward-thinking Dr. Francisco Villagrán, under who's direction Mexico's tourist industry has spurred to new records each year since he became Director General of the Tourist Bureau in 1956, is planning some new twists for tourism in his country.

"It is up to the land that wants to be visited to make itself attractive to visitors," Dr. Villagrán points out. "Unfortunately, few countries try very hard to do this. Mexico is trying."

Yes, Mexico is trying to make itself attractive to visitors, and we shall soon see just how effective her efforts have been. As though nature did not make this land attractive enough, in itself, Dr. Villagrán is overlooking no bet on the human side of the ledger of attractions. It is not enough, he believes, that tourists should be content to visit Mexico just to swim at the marvelous beaches, or to ooh and aah over the divergent beauties of the countryside:

"I am trying to develop *this* idea in tourism," the learned director general says, "I am trying to find a way to present to tourists who come to Mexico for only a few days, not just the scenery, but a little bit of the character of the Mexican people as well. I want them, not just to look at, and admire, University City for example, but to understand something of the philoso-

phy behind it—to know the laborer in Puebla, the man-in-the-street in Mexico City—and to know something of the culture of the people.

"The most important thing is that the visitor get to know the people of other lands. That is the way to peace in the world."

But how? How can the hurried visitor from the north, who speeds along Mexico's fine highways, trying to cover 2,000 or 3,000 miles in a week, or in two weeks—how can he really get to know the people he sees along the way? Well, for one thing, the tourist could stop long enough to talk with people. He would find that many of them speak at least some English, and he would find that they are a warm and friendly people, and eager to make his acquaintance.

But it is not enough, Dr. Villagrán believes, that so important an element be left to chance relationships. It is something that the country itself must take a hand in. Toward this end it may soon be required that tourist guides in Mexico go to college. Presently under discussion is a plan to offer to tourist guides, special courses at the National University, to give them a sound background in their own culture, and to teach them how to put this culture across to their tourist clientele and to impart to them a better understanding of the Mexican people.

IMPORTANCE OF TOURISTS. The voluble, friendly, 54-year-old director of Mexico's tourist program is an enthusiastic believer in the role education plays in promoting better understanding and closer relationships between hosts and visitors. He, himself, has an impressive scholastic background. He holds a doctorate in biological sciences. In this field, he served as professor at the University of Mexico, and later became dean. He was director of the Summer School for foreign students at the University from 1944 to 1947. He later joined the Mexican foreign service and held important posts in the United States and abroad as Consul General.

When Dr. Villagrán assumed direction of tourism in 1956, Mexico was already well on its way to becoming one of the U.S. tourist's favorite vacation haunts. Prior to World War II, fewer than 100,000 tourists crossed into Mexico each year, but by 1945 and 1946, this number had risen to 260,000. The early 1950's saw a healthy increase to 400,000 a year. The big jump came in 1955, in which year 537,000 tourists swarmed into Mexico. In 1956 the number was 588,000, and last year saw a record 615,000 visitors. It must be pointed out that these figures do not include border visitors, who may throng Mexican border towns a million strong on



holiday weekends. The above figures include only those tourists who are issued tourist cards to travel into the interior.

More U.S. tourists visit Mexico each year than travel to all other parts of the world put together, with the sole exception of Canada. Nor does there appear to be any signs of slackening, the current recession notwithstanding. The first quarter of 1958 saw more tourists going to Mexico than in any other corresponding period.

"I was talking the other day to your Ambassador Bob Hill in Mexico," Dr. Villagrán said, "and we came to the conclusion that the recession actually might benefit Mexico, from a tourist standpoint. More tourists may consider economical vacations to Mexico instead of the longer trips to Europe and other parts of the world."

The importance of Mexico to the American tourist is quite obvious from the above figures. But how important is the tourist to Mexico?

In 1952, tourists spent \$287 million in Mexico (these figures do include in-

come from border traffic). By 1957, this dollar inflow from tourism had more than doubled, stood at a staggering \$592 million. In 1955 it was \$445 million, and in 1956, \$509 million. Tourism ranks second only to total exports as an earner of dollar exchange for the nation. The industry has played an important part in making Mexico's economy one of the strongest economies in Latin America.

How does Mexico use its tourist earnings?

"We use the money that tourism brings in," Dr. Villagrán explains, "to help homogenize our three Mexican cultures and to raise the standard of living of all our people."

NEW MENU. Among Mexico's rapidly expanding population (estimated 31 to 32 million), there are still large numbers of pure-blood Indians, many of whose cultures have not changed appreciably since the coming of the Spaniards. To incorporate these peoples into the common culture of the country, many more schools are needed. And before the Indian, the mestizo, and the European bloods can

be blended into a common culture, roads must be built into all the remote parts of the hinterland—roads along which the different peoples of the nation may flow together. Road building is costly in Mexico, where there are many mountain ranges, and the tourist dollar helps to meet the high cost.

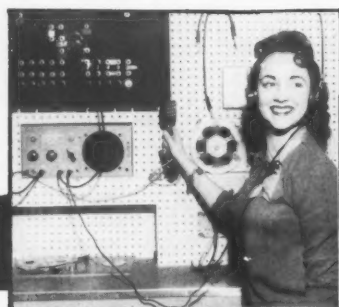
To boost the country's standards of living, great emphasis is being placed on industrialization, and industrialization requires heavy imports of machinery and materials. To power industry, much has to be spent on electrification—on great hydro-electric projects, the dams of which also store water for irrigation of arid lands that help to make the nation self-sufficient in its food supply. In all these developments, and many more, the tourist dollar plays an important role.

Of the nation's total tourist trade, about 90 percent comes from the United States. Perhaps five percent comes from other Latin American countries, and the other five percent from the rest of the world. Surprisingly, Dr. Villagrán proudly points out, Mexico is developing quite a tourist trade with France.

It was said earlier that Mexico is moving constantly ahead with efforts to make itself more attractive to visitors. It has been noted how well it has succeeded. But the nation is not content to rest on its laurels, even at this advanced point. Dr. Villagrán has much more in store for the menu.

"Acapulco, today, is one of the finest spots in the world to relax and have fun," Dr. Villagrán reminds, "but we hope to have many more such resorts before long—resorts now in various stages of development. One that is just beginning to grow is Puerto Vallarta on the Pacific 130 miles due west of Guadalajara in Jalisco State, sometimes called 'the little, unspoiled Acapulco.' Another playground that we intend to promote is Cozumel Island in the Caribbean, off Yucatan."

Eventually, such wilderness spots of scenic grandeur as the 8,000-foot deep Canyon del Cobre in Chihuahua State, which is said to rival the Grand Canyon, will be made accessible to tourists. But first, roads must be built and paid for out of tourist earnings, and resort facilities must be installed on the initiative of private enterprise. The Tourist Bureau is working untiringly toward these ends. New areas are being developed and promoted and new facilities are being provided, old facilities are being constantly expanded and modernized. A fleet of 2,000 new taxicabs is being pressed into service in Mexico City to better serve the vital tourist traffic. Mexico is leaving no stone unturned to serve more tourists ever better.



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INTERVIEW: WILLIAM E. HUGHES

A Monterrey investment banker tells how you can earn eight per cent interest on savings invested in Mexican banks.



EDITOR'S NOTE: One of the most energetic and enthusiastic boosters of United States private investment in Mexico is a 57-year-old, self-styled investment banker who lives and conducts his business in Mexico's important industrial center of Monterrey. He is Atlanta-born, William E. Hughes.

In an exclusive interview with **LATIN AMERICAN REPORT**, Hughes tells how U.S. investors may put their money to work in Mexico at high rates of interest with very nominal risk and without tying up their funds in long-term corporate investments.

Hughes has resided in Mexico since 1942 and carried on business activities there for some years prior to that time. Before moving to Mexico, Hughes was connected with the New York firm of Lamont Corliss & Company for 10 years (1925-35), and with Rockwood & Company, also of New York (1935-42). During this same period, he was active in management of a number of other companies in the United States, including a Federal Savings & Loan Association in Wilmette, Ill.

Hughes moved to Mexico with the idea of retiring, but the opportunities that he observed for helping Mexico to obtain badly-needed outside capital soon brought him out of retirement and into the investment service field, where he has been active ever since.

This tall, thin, soft-spoken authority on Mexican banking investment serves as a director on the boards of several banks in Monterrey and is a representative of the Mexican National Savings Board. Active in civic affairs in his adopted Monterrey, especially in the field of education, Hughes is a co-founder and president of the Panamerican School of Monterrey and co-founder of the American School Foundation of Monterrey. He also is a member of the International Good Neighbor Commission.

Hughes is author of a booklet, "Mexico—Investing for Profit and Security," which sets forth his views in more detail, and may be obtained by writing him at Apartado 774, Monterrey, Mexico.

(Publication of this interview does not necessarily represent endorsement or recommendation by **LATIN AMERICAN REPORT** of the investment views advanced by Hughes. His views are presented purely as a matter of information in the public interest.)

Q. Mr. Hughes, we understand that you are embarked on a personal campaign to acquaint United States investors with the advantages you claim the Mexican banking institutions hold as investment media. Briefly, what are those important advantages and how may they benefit the United States investor?

A. It is my opinion that the most important advantages are these: 1) Security, liquidity, high interest rate and monthly compounding; 2) Federal tax is paid by the bank at the time the deposit is made or, in the case of mortgage banks, the deposit is tax exempt; 3) Accounts are preferably in joint tenancy and automatically become the property of the joint tenant in case of death of the investor; and 4) as in Swiss banks such accounts are guaranteed privacy by Federal law and constitute a contract between the bank and those mentioned in the contract, in which no foreign government or individual can intervene.

Q. How can Mexican banks pay from 6 to 10 percent interest, in many cases compounded monthly, as you say they do? What peculiarities of the Mexican banking system permits this large (by U. S. standards) interest rate?

A. Mexican bank rates start at 12 percent but much of the financing carries 15 and even 18 percent interest, often with the interest collected in advance. Even with these rates banks can only fill a small percentage of the loan demands they have. With this situation, banks can restrict their loans to those with little if any risk. The rates are not based on risk but are a result of competition for available loan funds. As an example, a 5 percent discount for cash on invoices is not unusual in Mexico. The manufacturer who can discount his invoices immediately at 1 to 2 percent monthly, secures immediate cash for his shipments and receives more money for his merchandise than he would if the buyer had paid cash.

Q. How safe is the U. S. investor's funds in the Mexican banks and what regulations govern the safety of such investments?

A. The Mexican banking laws are similar to those of France. They are designed to protect the deposits of the people when loaned to the borrower. Our banking institutions operate under the supervision of the National Banking Commission, the Bank of Mexico and the Federal Treasury Department. Mexico could hardly exist without a sound private banking system which, while extremely profitable, is one of the most conservative in the world. In 25 years I have never known of a bank failure in Mexico.

Q. What type of bank do you suggest the investor put his funds into and what segment of Mexican business do these banks serve?

A. The greater portion of foreign depositors place their money in investment banks. These banks accept time deposits of either Mexican pesos or American dollars. Such deposits are from 90 days to one year. Most foreign depositors like to have part or all of their deposits in dollars, but some investors deposit partly dollars and partly pesos as a hedge. Many investment banks pay 7 percent interest on dollars and 9 percent on pesos, which is net to the depositor. Investment banks then loan these deposits in the currency in which the deposits are made. Dollars are loaned usually to smaller industries for purchase of machinery and equipment, which have a dollar replacement cost, so there is little risk to the borrower or to the bank. Such banks often require a standby first mortgage on plant and equipment, which is generally for double the amount of the credit limit of the borrower, rather than for the actual amount of the loan.

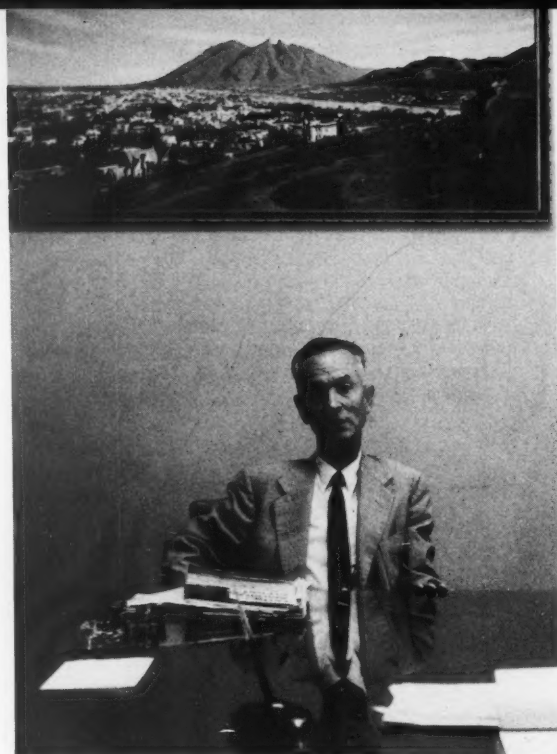
For the person who prefers the Building and Loan type of investment, we recommend the mortgage bank. The bonds of these institutions pay 8 percent interest which, in units of 100 pesos, can be compounded monthly. The funds of Mortgage Banks are loaned to help build homes for middle class people. These loans must never be over 50 percent of the value of the home. All banks have long waiting lists of applications for loans and could use millions in foreign capital. As an example of the severity of Mexican bank laws, each property considered for loan must be appraised by independent appraisers, approved by the bank officers and finally by the National Banking Commission in Mexico City, and must be approved for not over 50 percent of the value of the property.

Q. How does the U. S. investor's funds, placed in this manner, help these Mexican banks and the economy of the nation in general? How has this stimulated domestic saving and investment in Mexico?

A. The U. S. investor who deposits money here makes it possible for our industry to expand and buy modern equipment, and helps these industries greatly to increase the national product. In mortgage banks these investments stimulate every branch of the building industry, create personal and national wealth through the home owners' monthly payments, as a form of savings, and raise the standard of living through home ownership. Knowledge that foreign capital is depositing in his bank has stimulated the local investor to do likewise.



Investment adviser, Hughes . . . high interest rates on time deposits



Q. You have worked out an investment plan for guiding investors in placing their finances in the Mexican banks. Briefly, how does this plan work, and how would you advise an investor to go about investing in Mexican banks?

A. A basic investment for any investor anywhere is to have money in a bank account. Not only is this secure and liquid form of investment available in Mexico, but here it becomes highly profitable because of high interest rates and monthly compounding. In fact, I limit my work in the investment field to opening such accounts for people from all over the world. All they need do is to write my office for instructions, or simply to send a check giving the duration of time for the deposit, the currency in which it is to be deposited and the names of the depositor and joint tenant.

Q. What has been your biggest obstacle to getting people to invest in Mexican banks?

A. The biggest obstacle is an almost complete lack of knowledge on the part of investors, and foreign bankers too, as to the soundness and conservatism of Mexican banks. We lack the personal contact to overcome this obstacle. A second obstacle is that people feel they should invest in stocks. Common stocks in most instances are so highly profitable in Mexico that they seldom are available. It is far more profitable for management to pay high bank rates for working capital, while keeping control of the stock and most of the profit, as well.

Q. What particular type of U. S. investor, if any, do you direct your appeal to?

A. Our investors invariably are people with some interest in Latin America. There are a few who are experts on international banking. While their accounts are large they are few in number. A larger number are people who expect to retire to Mexico eventually, where they can live in relative luxury at low cost. A bigger number still, are people anticipating an inheritance tax situation where they have a substantial estate and the laws are almost confiscatory. This

type investor wants his heirs to have an amount of ready cash available to become the exclusive property of the heirs on his death.

Q. How successful have your efforts been up to this time and what do you foresee as the future of Mexican banks as investment media?

A. My efforts over many years have only scratched the surface. Nevertheless, as a result of my efforts several Mexican banks receive from 10 to 56 percent of their total deposits through my office. It is my belief that as investors outside Mexico learn more of the advantages of Mexican banks, Mexico will attract more and more capital from all over the world. This capital will help Mexico to develop its industry and raise the standards of living of its people.

Q. How liquid are these investments? How long does it take one to get his money back when he wants to withdraw it?

A. In the investment banks your money is available immediately upon expiration of the period for which it is deposited. It cannot legally be taken out before the expiration date. However, in cases of emergency our office will advance to any depositor a reasonable part of the principal until the deposit matures. The deposit contract can be discounted at almost any bank in the Republic in case all of the money is required. The issuing bank is not allowed by law to loan money on its own securities or time deposits. In the case of mortgage banks, a waiting period of 30 days is sometimes invoked, but on smaller amounts this is not necessary.

Q. Mr. Hughes, so that our readers may know how you fit into the picture, would you explain your personal interest in this investment field?

A. Many years ago I retired completely from business and decided to devote my time to things that would benefit Mexico. At that time, I persuaded several local banks to let me publicize their advantages to foreign investors, and to correspond with and supervise these foreign accounts. Over a period of several years this arrangement has proved successful and helpful, because these banks have limited ex-

perience in dealing with English-speaking people, and the investor usually speaks little Spanish and knows little about Mexican banking. By the banks subsidizing the small expense necessary to handle this work, I have been able to provide them with a new source of deposits at little cost and without the competition required to secure local deposits. The foreign depositor receives the services of these banks through someone who speaks his own language and understands his wishes. The result: investors all over the world are happy to have their money invested in Mexico, and their money is constantly helping along Mexico's industrial progress.

Q. Just what is your personal position in these transactions and is the investor doing business with you or with a bank?

A. The dealings of every client are directly with a national banking institution and not with me. As a bonded member of the board of directors of several banks, their foreign correspondence is referred to me for disposition. Possibly 90 percent of both correspondence and checks come to me personally. Under normal circumstances the time deposit contracts, trust receipts and other bank documents required for a completion of transaction are forwarded to the client on the day the deposit is received. Most of my activity is in opening or renewing time deposits, as this is the most simple thing for the investor and does a great deal of good for Mexico. Among our hundreds of accounts we have yet to find one who is not satisfied with doing business here. It is my feeling that all of these investors are better friends of Mexico and have more confidence and respect for the Republic and its institutions since they have started placing their money here.

Q. Are there any exchange regulations in Mexico, or can one remove his money from the country freely, at will?

A. With thousands of people crossing the border daily Mexico feels that currency restrictions could not be enforced. Your money may enter and leave Mexico with absolutely no restrictions. Mexico knows too that without such restrictions investors will realize that in Mexico you can invest with safety, security and pleasure.

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Calendar of Festivals



If you are planning to travel in Latin America during July or August, you may want to time your trip to catch some of these gala events. Some dates may be subject to change, so please check them with your travel agent.

JULY

5—Independence Day—Venezuela.

12-17—Itati Fiesta, Argentina. A gala festival, honoring jointly the coronation of the Virgin of Itati and St. Louis of France, rouses this quiet village in Corrientes Province. The religious side begins July 14 with the arrival of thousands of pilgrims.

14—Bastille Day in Martinique. Parades, fireworks, public festivities.

16—Feast Day, La Virgen del Carmen, with parades and regattas, in Puerto Rico.

20—Independence Day—Colombia.

24—Simón Bolívar's birthday, observed in Bolivia, Colombia, Ecuador, Panama, Peru and Venezuela.

24-26—La Semana Santiaguera, carnival and folk music in Cuba.

11-31—San Ignacio de Loyola celebration at Guanajuato, Mexico.

In mid-July the famed Palermo Cattle Show in Buenos Aires, Argentina, is held. One of the most important cattle shows in the world, it is a gala event.

AUGUST

1-7—Festival of Our Lady of Copacabana, Bolivia. With a spectacular series of pageants, Indian dances, feasting, processions, and tribal rites, and music, pilgrims from the entire nation honor the miraculous Virgin of this ancient town. The image dating from the 16th Century, wears elaborate jeweled robes.

1-6—The August fair at Saltillo, State of Coahuila, Mexico, honors an image of Christ in a small chapel of the cathedral. On August 1 and again on the 6th, *matachin* dancers, wearing vivid costumes decorated with bits of mirror or glass gather at dawn in the main plaza. They dance to the music of drums and violins until the last Mass when they all go into church.

2—Feast of Our Lady of the Angels, observed throughout Costa Rica but with special ceremony at Cartago, where the shrine of a famous Black Virgin is located. According to legend, this small stone figure was given to a slave girl by the Virgin Mary. A church was built on the spot where she revealed herself. Cartago is about 14 miles from San Jose, capital of Costa Rica.

4—Day of Santo Domingo. In Nicaragua, since he is the country's patron saint, this is the occasion for the outstanding festival of the year, held from August 1 to 10. Church ceremonies and a lively carnival take place in Managua. Another festival honoring Santo Domingo is held in Granada from August 14 to 30.

5-7—Bolivia's independence, proclaimed August 6, 1822, is celebrated with a three-day holiday. Ceremonies include a parade in all cities. In the mining regions Independence Day is celebrated much like carnival.

10—Independence Day—Ecuador.

15—In Guatemala, the year's chief fiesta at Solola, a town not far from Guatemala City, takes place on Assumption Day with feasting, music, dancing and processions. This is an interesting Indian community in Guatemala.

15—Assumption Day is a national holiday in Paraguay since Our Lady of the Assumption is the country's patroness (the capital, Asunción, is named for her). In Guatemala, of whose capital she is also the patroness, a week-long fair in her honor opens August 14 in Minerva Park, on the outskirts of Guatemala City. In Mexico, this is a special feast day for the Indians of Tlaxcala State.

21—In Mexico City at the statue of Cuauhtemoc, the last Aztec king, on Mexico City's broad avenue, Paseo de la Reforma, a ceremony is staged by *conchero* dancers. These dancers, who perform at fiestas all over the Valley of Mexico, probably get their name from the word *concha* (shell) because their mandolins are made of armadillo shell. Usually at this ceremony they also sing, then the story of Cuauhtemoc is read in the Indian tongue and in Spanish. Afterward songs commemorating all the Indian chieftains are sung.

25—Independence Day—Uruguay.

28—Tlalpan, a suburb of Mexico City, holds a fair that features Aztec dances.

30—Day of St. Rose of Lima. In the Peruvian capital this saint, only woman born in the Western Hemisphere to be canonized, is honored by processions in which her image is born through the streets of Lima. She is the patroness of the Peruvian capital.

THE PROFITABLE PARTNERSHIP



Strongest Link between the America's

International trade and investment have linked the Americas together in a mutually profitable partnership.

Latin America has become the leading market for United States capital goods and buys 22% of all its exports. In turn, the U. S. buys 40% of Latin America's exports, including many essential raw materials of which U.S. production is deficient.

Direct U. S. private investments in Latin America are at an all-time high of more than \$8½ billion. These investments, with the technical skills and administrative experience which accompany them, are helping Latin America to utilize better its inherent resources, skills and energies; they are profitable to their owners; and they are a potent source of mutual understanding and good will.

Already one of the largest investors of private capital in Latin America, the American & Foreign Power System is investing nearly \$100,000,000 annually in expansion and improvement of its facilities. More than half of this is spent for local labor and materials; and the additional supplies of electricity provided by these investments are helping to promote industrialization, create jobs and broaden consumption.

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